

THE DAMAGED BUSINESS REPORT – REAL PROPERTY

The damaged business report has been designed to estimate the amount of disaster related damage to a commercial type building; quickly, effectively and with relative degree of accuracy for SBA loan purposes. The information assembled by the Loss Verifier provides vital information to the Loan Processing Department for establishing eligibility within the program framework.

ICON KEY

SPECIAL CASES



Extended Family



Rental or Business



Verifying Condos



Erosion and Slides

The Verification of Real Property – Damaged Business Report (SBA Form 2149) provided should be used with most business files involving commercial type construction in conjunction with the Business Cost Guidelines issued. In cases where the business file involves the verification of real property of residential type construction, such as single family rental units, the Loss Verifier should use the Verification of Real Property – Home Report.

It is important to know what to expect on each site visit. In preparation for the site visit review SBA form 739A for any comments made by the Applicant. Especially note Item (9) and (10) on the 739A pertaining to real property loss. The Loss Verifier should be aware that an applicant may list several different locations on one 739A. A separate 739A is not required for each damaged location; the Loss Verifier should verify damages at all locations using a separate form 2149 for each location.

VERIFICATION OF BUSINESS REAL PROPERTY

To assist the Verification Department in addressing and estimating all areas of disaster related damage(s), place a check mark (**x**) in the corresponding box to identify area(s) of damage below.

9. REAL ESTATE

<input type="checkbox"/> No Damage	<input type="checkbox"/> Driveway	<input type="checkbox"/> Foundation	<input type="checkbox"/> Doors/Windows	<input type="checkbox"/> Fixtures	<input type="checkbox"/> Garage
<input type="checkbox"/> Landscaping	<input type="checkbox"/> Sidewalk	<input type="checkbox"/> Basement	<input type="checkbox"/> Interior Walls	<input type="checkbox"/> Electrical	<input type="checkbox"/> Carport
<input type="checkbox"/> Fence	<input type="checkbox"/> Parking Lot	<input type="checkbox"/> Roof	<input type="checkbox"/> Ceiling	<input type="checkbox"/> Plumbing	<input type="checkbox"/> Patio
<input type="checkbox"/> Retaining Walls	<input type="checkbox"/> Steps	<input type="checkbox"/> Exterior Walls	<input type="checkbox"/> Floor Covering	<input type="checkbox"/> Furnace	<input type="checkbox"/> Storage Building
<input type="checkbox"/> Soil Erosion	<input type="checkbox"/> Landing	<input type="checkbox"/> Communication System	<input type="checkbox"/> Floors	<input type="checkbox"/> Air Conditioning	
<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Porch	<input type="checkbox"/> Security System	<input type="checkbox"/>	<input type="checkbox"/>	

739A - ITEM 9 – REAL ESTATE

If the Applicant identifies damage to any of the above items the Loss Verifier must be certain that those items are inspected and discussed with the Applicant. The Applicant may mark items that have no disaster damage. When an item has been identified by the Applicant, but upon inspection that item is not disaster damaged, it will not appear in the report. The Loss Verifier should indicate that the non-damaged item was inspected and discussed by writing “NDO” next to the applicable item or discuss in the comment section (Item 9) on the home report.

10. Applicant: A Loss Verifier will be assigned to make contact with you or your designated representative and make arrangements to inspect the damaged property. The Loss Verifier will verify all disaster related damages. If you wish to make the Loss Verifier aware of any special conditions prior to the site visit, please use the space provided below. (continue on reverse if necessary)

Applicant Signature and Date:

739A - ITEM 10

This item may be used by the Applicant to note unusual circumstances, appointment scheduling, or any particular concerns not covered in Item #9.

VERIFICATION OF BUSINESS REAL PROPERTY

VERIFICATION OF REAL PROPERTY- BUSINESS REPORT

Damage Description: (Indicate type, date and details)

Control No. _____
 Business Name: _____ **1** _____
 Damaged Address: _____

_____ **2** _____

PROPERTY OBSERVATION

WATER ENTRY: ☐ N/A ☐ **3** ☐ Off ☐ Sewer Backup
☐ ☐ ☐ Rising Water

OCCUPANCY: ☐ Owner ☐ Lessee/Tenant

CONSTRUCTION CLASS:

☐ **A:** Fireproof structural steel frame, concrete/masonry roof/floors
☐ **B:** Structural concrete frame, concrete/masonry floors and roof
☐ **C:** Masonry/concrete load bearing walls, wood/steel roof and floors
☐ **D:** Wood/steel studs, wood/steel roof and floors
☐ **S:** Metal frame, roofs, and walls **5**

QUALITY: ☐ Low ☐ Average ☐ Good ☐ Excellent

BUILDING(S) SQUARE FOOTAGE: _____

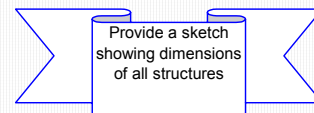
NUMBER OF STORIES: _____ **STORY HEIGHT:** _____

FOUNDATION: ☐ Slab ☐ Pier ☐ Crawlspace ☐ Pilings ☐ _____

ROOF: ☐ Metal ☐ Roll ☐ Composition
☐ Cedar ☐ Tile ☐ Tar/Gravel ☐ _____

EXTERIOR: ☐ Block/Concrete ☐ Metal ☐ Stucco ☐ Brick ☐ Wood

SKETCH and PHOTO



PRE-DISASTER REAL ESTATE VALUES

Land and Improvements to Land \$ _____

Improvements on Land **8** \$ _____

Total Value \$ _____

Ratio of Real Property damage to pre-disaster value: _____ %

VERIFIED REAL ESTATE LOSSES

UP 53 Leasehold Improvements \$ _____
 UP 17 Repair/Replace Real Estate \$ _____
 UP 19 Total Real Estate Reconstruction **7** \$ _____
 UP 20 Landscaping \$ _____
 UP 24 Debris Removal \$ _____
 UP 25 Other Land Improvements \$ _____

DAMAGED REAL ESTATE TOTAL

\$ _____

Mitigation \$ _____

Type of Business

_____ **4** _____

VERIFIED BUSINESS CONTENT LOSS

UP 50 Inventory \$ _____
 UP 51 Machinery & Equipment \$ _____
 UP 52 Furniture/Fixtures/Supplies \$ _____

6

DAMAGED CONTENT TOTAL

\$ _____

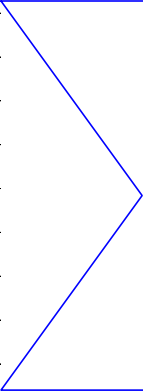
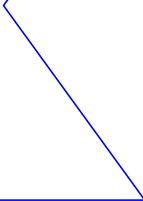
Loss Verifier: Print Name	ID No.	Signature	Date	Reviewer: Print Name	ID No.	Signature	Date

SBA Form 2149 (02-01) Ref. SOP 50-30

VERIFIERS COMMENTS

L/V met with ☐ Applicant ☐ Representative Name: _____

Date: _____ on-site and inspected the damaged property. They claim to ☐ have ☐ not have insurance coverage for this damage and would ☐ be ☐ not be interested in the hazard mitigation program.

	Comments should include:	
	1. Type of business & form of ownership	
	2. Years operating from that location	
	3. Own or lease the space?	
	4. Description of how damage occurred	
	5. Specifics on damaged machinery and equipment	
	6. Explanation justifying inventory loss based on financial information and observations.	
	7. Other information that will assist the Loan Officer	

VERIFICATION OF BUSINESS REAL PROPERTY

TOTAL REAL ESTATE RECONSTRUCTION UP-19

	Area	Unit Cost	Total
1 _____	_____ sf	x _____ = \$ _____	
2 _____	_____ sf	x _____ = \$ _____	
3 _____	_____ sf	x _____ = \$ _____	
4 _____	_____ sf	x _____ = \$ _____	
5 _____	_____ sf	x _____ = \$ _____	
6 _____	_____ sf	x _____ = \$ _____	
7 _____	_____ sf	x _____ = \$ _____	
8 _____	_____	x _____ = \$ _____	
9 _____	_____	x _____ = \$ _____	
10 _____	_____	x _____ = \$ _____	
11 Plans, Permits, Architect & Engineering Fees (3% to 10%)	_____	x _____ = \$ _____	
12 Garage/carport _____	_____ sf	x _____ = \$ _____	

ADD-ON'S

13 HVAC Complete System	_____ sf	x _____ = \$ _____	
14 Fire Sprinkler System _____	_____ sf	x _____ = \$ _____	
15 Elevators	_____ ea	x _____ = \$ _____	
16 Canopies/Awnings _____	_____ sf	x _____ = \$ _____	
17 Porches/Decks _____	_____ sf	x _____ = \$ _____	
18 _____	_____	x _____ = \$ _____	

OPTIONAL FOUNDATION and/or BASEMENT

19 Elevated Foundation _____	_____ sf	x _____ = \$ _____	
20 Lower Breakaway Wall System	_____ sf	x _____ = \$ _____	
21 Basement Unfinished _____	_____ sf	x _____ = \$ _____	
22 Basement Finished _____	_____ sf	x _____ = \$ _____	
23 Basement Parking _____	_____ sf	x _____ = \$ _____	
24 _____	_____	x _____ = \$ _____	
25 _____	_____	x _____ = \$ _____	
26 _____	_____	x _____ = \$ _____	

Geographic Multiplier _____ X Subtotal \$ _____ = UP-19

VERIFICATION OF BUSINESS REAL PROPERTY

REPAIRS to INTERIOR and EXTERIOR of STRUCTURE UP-17

Identify Building: #1		#2		Cost Guidelines		
	Unit Cost	Total	Unit Cost	Total	Low	Med High
Floor Covering						
27 Clean & Sanitize	sf	=	sf	=	0.25	0.35 0.50
28 Vinyl	sf	=	sf	=	1.50	2.00 2.50
29 Carpet	sf	=	sf	=	1.50	3.00 6.00
30 Wood	sf	=	sf	=	9.00	11.00 15.00
31 Ceramic Tile	sf	=	sf	=	6.00	8.50 13.00
32	=		=			
33	=		=			
Interior Walls						
34 Framing	sf	=	sf	=	2.00	2.75 3.50
35 Insulation	sf	=	sf	=	0.80	0.90 1.00
36 Drywall	sf	=	sf	=	1.00	1.50 2.00
37 Wallpaper	sf	=	sf	=	1.50	2.50 3.50
38 Wood Paneling	sf	=	sf	=	1.50	2.50 3.50
39 Ceramic Tile	sf	=	sf	=	5.00	7.50 12.00
40 Paint	sf	=	sf	=	0.50	0.75 1.00
41	=		=			
42	=		=			
Ceilings						
43 Insulation	sf	=	sf	=	0.80	1.00 1.20
44 Spray Acoustic	sf	=	sf	=	0.40	0.50 0.60
45 Suspended	sf	=	sf	=	2.00	3.00 4.00
46 Drywall	sf	=	sf	=	1.25	2.00 2.25
47 Paint	sf	=	sf	=	0.80	0.90 1.00
48 Framing	sf	=	sf	=	2.00	2.75 3.50
49	=		=			
Doors						
50 Hollow Core	ea	=	ea	=	150	200 250
51 Solid Core	ea	=	ea	=	225	400 750
52 Metal	ea	=	ea	=	365	560 780
53 Commercial/Glass	ea	=	ea	=	900	1300 1600
54 Overhead/Garage	ea	=	ea	=	425	1050 1450
55	=		=			
56	=		=			
Trim						
57 Wood	lf	=	lf	=	1.80	3.20 4.60
58 Vinyl/Rubber	lf	=	lf	=	1.50	2.00 2.50
59 Interior Stairs/Railing	per tread	=	per tread	=	115	200 400
60	=		=			
Cabinets						
61 Base w/top	lf	=	lf	=	100	150 280
62 Uppers	lf	=	lf	=	50	85 120
63 Vanities	lf	=	lf	=	100	150 280
64 Bookcases/Shelving	sf	=	sf	=	7.00	10.00 14.00
65	=		=			
Windows						
66 Residential Type	sf	=	sf	=	17.00	25.00 29.00
67 Industrial/Commercial	sf	=	sf	=	15.00	23.00 27.00
68 Replace Glass	sf	=	sf	=	7.00	10.00 14.00
69 Storefront-glass/frame	sf	=	sf	=	18.00	23.00 27.00
70	sf	=	sf	=		
71	=		=			
Exterior Walls						
72 Concrete Block	sf	=	sf	=	10.00	13.00 17.00
73 Framing	sf	=	sf	=	2.00	2.75 3.50
74 Insulation	sf	=	sf	=	0.80	0.90 1.00
75 Sheathing	sf	=	sf	=	1.50	2.00 2.50
Building 1 Page Total					Building 2 Page Total	

VERIFICATION OF BUSINESS REAL PROPERTY

REPAIRS to INTERIOR and EXTERIOR of STRUCTURE UP-17									
Identify Building: #1			#2			Cost Guidelines			
Exterior Walls (continued)	Unit Cost	Total	Unit Cost	Total		Low	Med	High	
76 Siding	sf	=	sf	=		1.60	3.00	4.40	
77 Stucco	sf	=	sf	=		2.25	3.00	4.00	
78 Brick Veneer	sf	=	sf	=		5.00	7.00	10.00	
79 Paint	sf	=	sf	=		0.50	0.75	1.00	
80		=		=					
81		=		=					
Foundation System									
82 Concrete slab	sf	=	sf	=		4.00	6.00	7.50	
83 Jack/Level/Shim	sf	=	sf	=		2.50	4.50	6.00	
84 Footers and stem-wall	sf	=	sf	=					
85 Elevated system	sf	=	sf	=					
86		=		=					
Floor System									
87 Underlayment/Subfloor	sf	=	sf	=		2.00	3.00	4.00	
88 Insulation	sf	=	sf	=		0.80	0.90	1.00	
89 Joists	sf	=	sf	=		4.00	5.00	6.00	
90		=		=					
Roof System									
91 Covering	sf	=	sf	=					
92 Decking/Sheathing	sf	=	sf	=		2.00	2.50	3.50	
93 Framing System	sf	=	sf	=		4.00	5.00	6.00	
94 Gutter/Downspout	lf	=	lf	=		4.00	5.00	6.00	
95 Awnings	sf	=	sf	=					
96		=		=					
97		=		=					
Mechanical and Electrical Systems									
98 Plumbing fixtures	ea	=	ea	=	10	200	300	600	
99 Remove & Reset fixtures	ea	=	ea	=		50	100	150	
100 Water Heater (residential type)	ea	=	ea	=		400	500	600	
101 Boiler	ea	=	ea	=					
102 HVAC system	sf	=	sf	=		2.00	3.50	5.00	
103 Baseboard heat	lf	=	lf	=		34.00	37.00	40.00	
104 Fire sprinklers	sf	=	sf	=		1.50	2.25	2.75	
105		=		=					
106 Thru-Wall HVAC units	ea	=	ea	=		700	900	1200	
107 Ducts	lf	=	lf	=		5.00	6.50	8.00	
108 Air Conditioning Compressor	ea	=	ea	=		250	500	850	
109 HVAC Service	ea	=	ea	=		250	350	500	
110		=		=					
111 Electrical panel	ea	=	ea	=		550	1000	1,500	
112 Switches/Outlets	ea	=	ea	=		25	32	40	
113 Alarm system (per opening)	ea	=	ea	=		110	200	325	
114 Surveillance system per camera	ea	=	ea	=		200	300	400	
115		=		=					
Detached Structures									
116 Garage	sf	=	sf	=		12.00	30.00	42.00	
117 Carport	sf	=	sf	=		8.00	18.00	28.00	
118 Storage Building(s)	sf	=	sf	=		10.00	16.00	20.00	
119 Sheds/Pole barn	sf	=	sf	=		6.00	10.00	14.00	
120		=		=					
Page Total			Page Total						
Page 2 Total			Page 2 Total						
Building 1-Total			Building 2-Total						

Geographic Multiplier

X Bldg 1+ Bldg 2 Total

= UP-17 or UP- 53

TOTAL =

11

VERIFICATION OF BUSINESS REAL PROPERTY

LANDSCAPING UP-20

		Area		Unit Cost	Total	Cost Guidelines	
121	Seeding/Sod		sf	x	= \$	0.20	0.80
122	Trees/shrubs		ea	x	= \$	30.00	150.00
123	Trees/shrubs pruning	12	ea	x	= \$	30.00	200.00
124	Sprinkler system		sf	x	= \$	0.50	0.90
125				x	= \$		
Geographic Multiplier					X Subtotal \$		

UP-20

DEBRIS REMOVAL UP-24

126	Structure(s) Demolish/Removal		sf	x	= \$	2.50	4.00
127	Debris removal		cy	x	= \$	18.00	30.00
128	Trees/shrubs/stumps	13	ea	x	= \$	50.00	400.00
129				x	= \$		
Geographic Multiplier					X Subtotal \$		

UP-24

OTHER LAND IMPROVEMENTS UP-25

Water and Septic System

130	Leach field		lf	x	= \$	7.00	11.00
131	Septic System Complete		ls	x	= \$	7,000	10,000
132	Tank		ls	x	= \$	2,000	3,500
133	Water well (4" - 6")		lf	x	= \$	14.00	26.00
134				x	= \$		
135				x	= \$		

Erosion / Retaining Walls / Fencing

136	Engineering study (preliminary)			x	= \$	1000	2500
137	Grading		sf	x	= \$	0.20	0.40
138	Fill/compact		cy	x	= \$	12.00	18.00
139	Topsoil		cy	x	= \$	20.00	30.00
140	Slope protection		sf	x	= \$	0.30	0.70
141	Rip Rap	14	cy	x	= \$	28.00	48.00
142	Retaining wall		sf	x	= \$	14.00	32.00
143	Fence		lf	x	= \$	6.00	14.00
144				x	= \$		
145				x	= \$		

Walks and Driveways

146	Walkway		sf	x	= \$	4.00	10.00
147	Driveway		sf	x	= \$	3.00	5.00
148	Parking area		sf	x	= \$	2.00	4.00
149	Bridge		sf	x	= \$	35.00	55.00
150	Culverts		lf	x	= \$	22.00	40.00
151				x	= \$		

Geographic Multiplier

X

Subtotal \$

UP-25

ITEM 1 **APPLICANT (Name, Address, and Control Number)**

A self-adhesive label should be attached in this location. This label should reflect the damaged property address and not the mailing address.

If the damaged address label does not indicate the correct address of the damaged property, the Loss Verifier should correct this and comment accordingly.

ITEM 2 **TYPE OF DISASTER, DATE, and DETAILS**

The information entered here should represent:

- ♦ General disaster type.
- ♦ When the disaster occurred.
- ♦ A brief description of damages specific to the subject property.

Example:

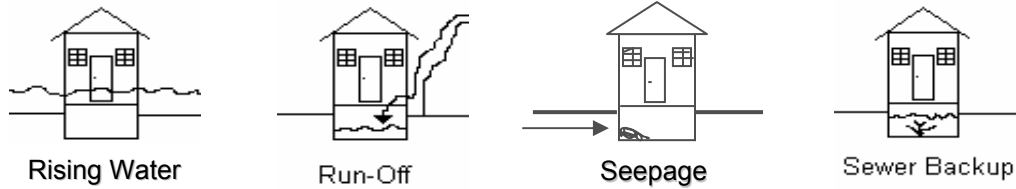
Severe Storms and Flooding
March 28, 2000
3-ft. water throughout the first floor for 3 days;
wind-damage and water entry through roof.

ITEM 3 **Water Entry**

N/A Rising Water Seepage Run-off Sewer Backup

If the declared disaster event involves flooding, it is the responsibility of the Loss Verifier to determine if the cause of water entry is due to rising water, seepage, run-off, or sewer backup.

If the damage is due to any other cause check N/A. This will provide the Loan Officer with the information necessary to determine if flood insurance is required.



ITEM 4 **Type of Business**

Indicate the predominant type of business operated by the Applicant. This could include:

Manufacturing - creating products from materials, parts or components by utilizing labor, processing treatments, or assembly operations. Manufacturing production is usually carried on for the wholesale market, for interplant transfer, or made to order for industrial users, rather than for direct retail sale.

Wholesaling - distributing (selling) goods in their primary condition to manufacturers, processors, or retailers.

Retailing - selling goods in small quantities to the ultimate consumer.

Services – primarily engaged in providing a wide variety of services for individuals, businesses, government establishments, and other organizations. Examples include hotels, motels, and trailer parks; establishments providing personal, business, repair, and amusement services; health, legal, and engineering services, etc.

Contracting – primarily engaged in construction including new work, additions, alterations, and repairs. Activities are generally administered from a fixed place of business but actual work is performed at different locations.

Non-Profit Organizations - Not for profit organizations such as churches, membership groups, and associations; usually such groups provide services or other benefits to a selected membership.

Homeowner's Associations (HOAs) / Planned Unit Developments (PUDs) - Associations governing condominiums and other planned developments may apply for SBA assistance. Such groups are not organized for profit but are the authority for condominium developments as well as other planned unit developments.

ITEM 5 **PROPERTY OBSERVATIONS**

Occupancy

The Loss Verifier should indicate the primary occupancy of the structure based on observation and discussion with the Applicant.

If the Applicant is a Lessee/Tenant and claims responsibility of the repairs then the Loss Verifier should attempt to obtain a copy of the lease/rental agreement. The Legal department will review such agreements to confirm Applicant responsibilities.

CONSTRUCTION CLASS:

The class of construction is the basic subdivision dividing all buildings into five basic cost groups by type of framing (support columns and beams), walls, floors, roof structures, and fireproofing.

CLASS "A"

The primary feature of Class A buildings is the fire-protected, protected structural steel frame, which may be welded, bolted, or riveted together. The fireproofing may be masonry, poured concrete, plaster, sprayed fiber, or any other type which will give a high fire-resistant rating.

Floors and roofs in Class A structures are normally reinforced concrete on steel decking or formed slabs resting on the frame or poured so as to become integral with the structure. They may also be composed of prefabricated panels and may be mechanically stressed.

Exterior wall will be curtain walls of masonry, concrete, steel studs and masonry, tile or stucco, or one of the many types of panels of metal, glass, concrete, and other materials. Interior partitions will frequently be of masonry or gypsum blocks although many movable and lightweight partitions are used.

CLASS "B"

The primary characteristic of a Class B building is the reinforced concrete frame in which the columns and beams can be either formed or pre-cast concrete. They may be mechanically stressed. It is a fire resistant structure.

Floors and roofs in Class B structures are formed or pre-cast concrete slabs. The exterior walls will generally be masonry or reinforced concrete curtain walls or any of the many types of wall panels of concrete, metal, glass, or stone, etc.

In some Class B buildings, the walls may be partially load bearing. Interior partitions are often masonry, reinforced concrete or gypsum blocks, but may lightweight and movable partitions are used where structural walls are not needed.

CLASS "C"

Class C buildings are characterized by masonry or reinforced concrete (including tilt-up) construction. The walls may be load-bearing, i.e., supporting roof and upper floor loads, or non-bearing with open concrete, steel, or wood columns, bents or arches supporting the load. Floors and roofs are supported on wood or steel joists or trusses, or the floor may be a concrete slab on the ground. Upper floors or roofs may be of concrete plank, steel deck, or wood. Bearing walls are frequently strengthened by concrete bond beams and pilasters.

CLASS “D”

Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaced wood or steel studs, as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick or stone veneer, or other materials. Otherwise, they may consist of an open-skeleton wood frame on which some form of curtain wall is applied including the pre-engineered pole or post-frame buildings.

Floors and roofs are supported on wood or steel joists or trusses or the floor may be a concrete slab on the ground. Upper floors or roof may consist of wood or metal deck, prefabricated panels or sheathing.

CLASS “S”

Class S buildings are characterized by incombustible construction and prefabricated structural members. The exterior walls may be steel studs or an open steel skeleton frame with exterior single or sandwich wall coverings consisting of prefabricated panels or sheet siding. Floors and roofs are supported on steel joists or beams, or the floor may be concrete slab on grade. Upper floors and roofs may consist of metal deck, prefabricated panels or sheathing.

QUALITY

The Loss Verifier will find that identifying the quality of residential structures often presents a greater problem than do commercial or industrial buildings, which are usually designed primarily for utility or strength. In most cases, the verification of disaster related damage to business real property will involve average quality structures; however, in every case the quality determination is dependent upon the judgement and experience of the Loss Verifier. Most importantly is that buildings must be compared for quality within the class identified. For example, Class A office buildings must be compared with other Class A office buildings. A Class D industrial building cannot be compared to a Class A office building when identifying quality.

The following general descriptions for the four basic quality levels should be used by the Loss Verifier to assist in identifying the quality of damaged structures.

Low

Buildings in this category are generally constructed to minimum code requirements often with little regard for architectural appearance or other amenities. They are built with minimum investment in mind. Little ornamentation is used and interior partitioning and finish is minimal and/or of low quality.

Average

Average quality buildings constitute the largest group of buildings constructed. These are generally buildings designed for maximum economic potential without some of the pride of ownership or prestige amenities of higher quality construction. They are of good standard code construction with simple ornamentation and finishes.

Good

Buildings that are designed for good appearance, comfort and convenience, as well as an element of prestige, constitute the Good quality category. Ornamental treatment is usually of higher quality and interiors are designed for upper class rentals. The amenities of better lighting and mechanical work are primary items in their costs.

Excellent

Excellent buildings are normally prestige buildings. They are constructed of high quality materials, have expensive finishes and fixtures, and are normally of special design. Typically these buildings are built for the established professional, larger corporations, or those with higher incomes.

Number of Stories and Story Height

This is best determined by visual examination.

Foundation

Indicate the type of foundation observed.

Roofing

Indicate the type of roof covering observed.

Exterior

Indicate the type of exterior finish. An exterior may have more than one type of finish. The Loss Verifier should note accordingly.

ITEM 6 DAMAGED NON-REAL PROPERTY TOTAL

The total verified amounts for these items are derived from the Loss Verifier's calculation for non-real property. The UP Codes used in the Verification of Real Property Damaged Business Report for non-real property are as follows:

UP-50	Inventory
UP-51	Machinery and Equipment (includes motor vehicle, boat, airplanes, etc.)
UP-52	Furniture and Fixtures

ITEM 7 DAMAGED REAL ESTATE TOTAL

The total amount for the each UP section within the body of the report is brought forward to Item 7 on the cover sheet. The sum of these UP code amounts equals the total verified loss for Real Property and is entered in Item 7 on the cover sheet. The UP Codes used in the Verification of Real Property Damaged Business Report real property losses are as follows:

UP-53	Leasehold Improvements
UP-17	Repair/Replace Real Estate
UP-19	Total Real Estate Reconstruction (at damaged site)
UP-20	Landscaping
UP-24	Debris Removal
UP-25	Other Land Improvements (including bridges, retaining walls, etc)

Mitigation Allowance

In most cases the applicant does not have a hazard mitigation proposal available for the initial onsite inspection and mitigation cannot be addressed.

If a hazard mitigation proposal is available, the Loss Verifier should refer to the Hazard Mitigation module for guidance on completing this section.

ITEM 8 PRE-DISASTER REAL ESTATE VALUES

Land and Improvements to Land

Determine the estimated pre-disaster land value, inclusive of **all** site improvements to the land, (includes everything except the main structure and outbuildings.) Improvements to the land would include fences, walls, fountains, walks, parking lots, wells, septic system, storm water management systems, etc.

Improvements on Land

Determine the estimated pre-disaster value of the structural improvements on the land, which include the main structure and other outbuildings.

Total Pre-Disaster Value of Real Estate

Enter the total of the two previous entries. This should reflect an accurate pre-disaster fair market value of the real property. *Note:* The Loss Verifier should have a general discussion with the applicant regarding the value of the real property as indicated on the application (Form 5C).

Ratio of costs to Pre-Disaster Value

Enter the REAL PROPERTY percentage ratio of total repair and/or replacement cost. (Total real property loss divided by total real estate value)

ITEM 9 **TOTAL R/E RECONSTRUCTION UP 19** (Line Items 1-26)

The line items contained in this category require the Loss Verifier to use the total reconstruction cost to replace the basic structure with like size and quality. The loss is calculated by entering the square footage of the building and applying the appropriate unit cost per square foot as shown within the Business Real Property Cost Guidelines. Any additional items associated with the reconstruction should be address in the line items 13-26.

Apply Geographic Multiplier

The geographic cost multiplier is used to reflect local cost conditions and is designed to adjust the basic cost to each locality. The total amount for this UP section is brought forward to the appropriate UP code on the cover sheet.

ITEM 10 **REPAIRS TO INTERIOR and EXTERIOR of STRUCTURE UP-17** (Line items 27 -120)

The line items in this category, covering pages 2 & 3, require the Loss Verifier to use the segregated cost method to estimate the disaster-related damage.

Apply Geographic Multiplier

The geographic cost multiplier is used to reflect local cost conditions and is designed to adjust the basic cost to each locality. This multiplier will be provided to the Loss Verifier for each disaster. The total amount for this UP section is brought forward to the appropriate UP code on the cover sheet.

ITEM 11 LEASEHOLD IMPROVEMENTS UP-53

When the Applicant is a Lessee/Tenant, they are generally eligible for their non-real property losses only. If the Applicant has only non-real property losses, use only the cover sheet of the report. The Loss should be documented as stated in module 4, non-real business property losses. The Loss Verifier should complete the Property Observation section of the report. Enter the type of water entry, occupancy (e.g. – check the “Lessee/Tenant” block), quality classification, and estimate the square footage of the leased space. This information will be sufficient to determine the reasonableness of the non-real property loss verified.

The real estate damage is usually the responsibility of the owner of the real estate. In the event the lessee/tenant of real property has made leasehold improvements to the real estate **or** the tenant is responsible to repair the disaster-related damage under the terms of their lease agreement, then the loss is estimated in the same manner it would be for an owner and the Loss Verifier completes SBA form 2149.

The Loss Verifier should verify **only** those items the tenant is responsible to repair. The items/costs verified should be limited to improvements in place prior to the declared event. These are the only items included in the estimated real estate or leasehold improvement (LHI) loss. The Loss Verifier’s report should not include real property items unless the Lessee/Tenant has clearly demonstrated the loss is associated to the Lessee/Tenant and the real property items in question would not be the responsibility of the building owner. Appropriate comments should be made by the Loss Verifier and any supporting documentation attached to assist the Loan department in determining the tenant’s eligibility

When the Loss Verifier has determined that the Applicant **does not** own the real estate but **is responsible for certain repairs**, the total is entered in UP-53 rather than UP-17.

The Loss Verifier should attempt to obtain a copy of the lease/rental agreement from the Applicant to document the responsibility for the real estate repairs.

ITEM 12 LANDSCAPING UP-20 (Line Items 121-125)

The line items in this category require the Loss Verifier to use the segregated cost method to estimate the disaster-related damage.

The Loss Verifier **always** estimates the total cost to repair disaster-related landscape damage. Landscape/recreational items are generally considered a legitimate business need and are not usually subject to limitations.

Landscaping for the purpose of the disaster loan program includes decorative landscaping and recreational items such as swimming pools, tennis courts, docks, boathouses, and any related facilities generally used for recreational purposes.

Apply Geographic Multiplier

The geographic cost multiplier is used to reflect local cost conditions and is designed to adjust the basic cost to each locality. This multiplier will be provided to the Loss Verifier for each disaster. The total amount for this UP section is brought forward to the appropriate UP code on the cover sheet.

ITEM 13 DEBRIS REMOVAL UP-24 (Line Items 126-129)

The line items contained in this category require the Loss Verifier to use the segregated cost method to estimate the disaster-related damage.

Any costs specifically related to debris removal must be included in this category. Note: Line items (27-120) UP-17/UP-53 include debris removal costs.

Apply Geographic Multiplier

The geographic cost multiplier is used to reflect local cost conditions and is designed to adjust the basic cost to each

locality. This multiplier will be provided to the Loss Verifier for each disaster. The total amount for this UP section is brought forward to the appropriate UP code on the cover sheet.

ITEM 14 OTHER IMPROVEMENTS UP-25 (Line Items 130-151)

The line items contained in this category require the Loss Verifier to use the segregated cost method to estimate the disaster-related damage.

The Loss Verifier should refer to module 3 for instruction and detail as it pertains to Land Movement, Preventive Measures, Retaining Devices, etc.

Apply Geographic Multiplier

The geographic cost multiplier is used to reflect local cost conditions and is designed to adjust the basic cost to each locality. This multiplier will be provided to the Loss Verifier for each disaster. The total amount for this UP section is brought forward to the appropriate UP code on the cover sheet.

SPECIAL CASES



Rental or Business Files

The Verification of Real Property – Home Report (SBA Form 2056) was developed primarily for use in estimating the cost to repair or reconstruct (or replace) manufactured housing or conventionally constructed single-family dwellings. However, this report easily adapts to other types of residential properties as well.

The Verification of Real Property – Home Report should be used when verifying disaster related damage to rental or business properties

of typical residential type construction. Refer to module 3 for instruction and details.



Associations

Various types of associations may have loan eligibility. Associations include, but are not limited to;

- Condominium Associations
- Cooperatives
- Road Associations
- Water Associations

Eligibility for the damages rests with those who owned the property at the time of the disaster. If the association is a legal entity, the association's property and legal rights will generally be specifically stated and the application and the verification will address all damages to the association's property just as with any other applicant.

In other cases the association may elect not to apply and the cost will be passed directly to the members (the individual unit owners) in the form of a special assessment. The unit owner may be eligible for the amount of such special assessments to repair disaster-related damage in addition to the cost of repairs they are responsible for as an individual unit owner.

Multiple Structures on One-Site

Business applications may include disaster damage to multiple buildings on one site. The Business Report is designed to accommodate the verification

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of damages to two buildings in its standard version. If the verification involves more than two damaged buildings on the same site, insert additional sheets (page 2 and 3) to complete the report. Include a sketch of **all** the buildings on the site including those that were not damaged. The undamaged buildings should be marked NDO.

Multiple Sites

In some cases a Business application will include disaster damage to multiple sites. When this occurs it is necessary to complete a verification worksheet for each separate site.

The Loss Verifier should complete The Business Report Recap Sheet SBA Form 2148 summarizing the damage information.

DAMAGED BUSINESS REPORT RE-CAP SHEET

Control No. _____

Date: _____

Business Name: _____

Attached worksheets _____ to _____

SITE NUMBER AND DAMAGE ADDRESS	FLOOD ZONE	INVENTORY	MACHINERY & EQUIPMENT	FURNITURE & FIXTURES	CONTENTS TOTAL	REAL LEASEHOLD	PROPERTY
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			
		+	+	=			

Authority to Review Verification Reports

All Loss Verification reports must be reviewed and require a signatory concurrence.

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- a) Any designated Loss Verifier has the authority to review all disaster verifications up to \$500,000.
- b) The Senior Loss Verifier / Deputy AAD/LV / AAD/LV or their official designee must review and comment on all verifications exceeding \$500,000.

This authority is in effect for any Business Loan regardless of the type loss.